

AMENDED IN SENATE MARCH 26, 2012

SENATE BILL

No. 1189

Introduced by Senator Hancock

(Principal coauthor: Assembly Member Ma)

(Coauthor: Senator Alquist)

(Coauthor: Assembly Member Beall)

February 22, 2012

An act relating to high-speed rail, *and making an appropriation therefor.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1189, as amended, Hancock. The Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century: project funding.

Existing law, pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides for the issuance of \$9.95 billion in general obligation bonds for high-speed train capital projects and other associated purposes. Existing law makes \$950 million of the proceeds of those bonds available for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to the high-speed train system and its facilities, or that are part of the construction of the high-speed train system, as specified, or that provide capacity enhancements and safety improvements. Existing law requires the California Transportation Commission to allocate those funds to eligible recipients, as defined, and to develop guidelines to implement those provisions.

This bill would appropriate \$523,400,000 from the High-Speed Passenger Train Bond Fund to the Department of Transportation for

allocation by the California Transportation Commission as provided for in specified guidelines adopted by the commission.

~~Existing law, the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, approved by the voters as Proposition 1A at the November 4, 2008, general election, provides that \$950 million of net proceeds of bonds issued pursuant to the bond act shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems that provide direct connectivity to high-speed rail, as specified.~~

~~This bill would state the intent of the Legislature to enact legislation that would appropriate funding from the \$950 million net proceeds of bonds described above to projects that eligible operators have requested and that have been approved by the California Transportation Commission.~~

~~Vote: majority. Appropriation: no-yes. Fiscal committee: no-yes. State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
- 2 *following:*
- 3 *(a) In approving the Safe, Reliable High-Speed Passenger Train*
- 4 *Bond Act for the 21st Century at the November 4, 2008, general*
- 5 *election, California voters approved \$950 million in general*
- 6 *obligation bonds to be available for capital improvements to the*
- 7 *state's intercity and commuter rail lines and urban rail systems.*
- 8 *The funds, available upon appropriation by the Legislature, are*
- 9 *for improvements that provide direct connectivity to the high-speed*
- 10 *train system and its facilities, are part of the construction of the*
- 11 *high-speed train system, or are improvements that provide capacity*
- 12 *enhancements and safety improvements on the existing intercity,*
- 13 *commuter, or urban rail lines.*
- 14 *(b) Of the \$950 million authorized for expenditure by the voters*
- 15 *for the purposes described in subdivision (a), 20 percent, or \$190*
- 16 *million, is to be allocated among the three state-supported intercity*
- 17 *rail lines known as the Capitol Corridor line, the San Joaquin line,*
- 18 *and the Pacific Surfliner line (Intercity Rail Program). Eighty*
- 19 *percent, or \$760 million, is to be allocated to other commuter and*
- 20 *urban rail line operators based on a formula outlined in the bond*
- 21 *act (Commuter and Urban Rail Program).*

1 (c) *The approved bond act requires commuter and urban rail*
2 *line operators that are eligible recipients of these state bond funds*
3 *to provide matching funds in an amount not less than the amount*
4 *of bond funds allocated to the recipient. This match requirement*
5 *means for every dollar of state bond funds invested in an eligible*
6 *local project, at least one dollar of nonbond funds will also be*
7 *invested in the project.*

8 (d) *The Safe, Reliable High-Speed Passenger Train Bond Act*
9 *for the 21st Century requires the California Transportation*
10 *Commission to develop guidelines for the implementation of both*
11 *the Intercity Rail Program and the Commuter and Urban Rail*
12 *Program. The commission is also responsible for allocating the*
13 *available funds to eligible recipients in each program.*

14 (e) *On February 24, 2010, the commission adopted the program*
15 *guidelines for the \$950 million High-Speed Passenger Train Bond*
16 *Program, consisting of the \$190 million Intercity Rail Program*
17 *and the \$760 million Commuter and Urban Rail Program.*

18 (f) *On May 20, 2010, the commission adopted the initial*
19 *program of projects to be funded by the High-Speed Passenger*
20 *Train Bond Program, a program that proposed to fund \$262.4*
21 *million in projects in the 2011–12 fiscal year alone.*

22 (g) *While the Budget Act of 2011, passed by the Legislature on*
23 *June 28, 2011, included an appropriation totaling more than \$262*
24 *million to begin funding eligible projects in the*
25 *commission-adopted High-Speed Passenger Train Bond Program,*
26 *all but \$28 million of the appropriation was vetoed.*

27 (h) *Notwithstanding the veto of a significant portion of the bond*
28 *funds appropriated for the High-Speed Passenger Train Bond*
29 *Program, it remains imperative for the Legislature to appropriate*
30 *bond funds to eligible recipients so that project contracts can be*
31 *signed, mobility and safety improvements can commence, and*
32 *immediate job opportunities for Californians can be made*
33 *available.*

34 (i) *According to commuter and urban rail service providers*
35 *throughout the state, the bond funds from the \$760 million*
36 *Commuter and Urban Rail Program alone are estimated to fund*
37 *no less than 15 capital improvement and safety projects in*
38 *California, leveraging more than \$4.9 billion in nonstate*
39 *transportation funds, and creating nearly 200,000 jobs.*

1 (j) *The mobility and safety improvements funded by these bond*
2 *funds will benefit Californians in all regions of the state.*

3 (k) *The appropriation of bond funds for the High-Speed*
4 *Passenger Train Bond Program, as adopted and updated by the*
5 *commission, is a necessary precursor for rail mobility and safety*
6 *improvements and for job creation in California. It is, therefore,*
7 *the intent of the Legislature to appropriate these funds for*
8 *allocation by the commission to eligible rail operators requesting*
9 *an allocation.*

10 SEC. 2. *Pursuant to Section 2704.095 of the Streets and*
11 *Highways Code, the sum of five hundred twenty-three million four*
12 *hundred thousand dollars (\$523,400,000) is hereby appropriated*
13 *from the High-Speed Passenger Train Bond Fund to the*
14 *Department of Transportation for allocation by the California*
15 *Transportation Commission as provided for in the guidelines*
16 *adopted by the commission in Resolution HST1A-G-0910-01 on*
17 *February 24, 2010, and as those guidelines may be updated by*
18 *the commission.*

19 ~~SECTION 1. It is the intent of the Legislature to enact~~
20 ~~legislation that would appropriate funding from the net proceeds~~
21 ~~of nine hundred fifty million dollars (\$950,000,000) from the~~
22 ~~issuance of bonds authorized by the Safe, Reliable High-Speed~~
23 ~~Passenger Train Bond Act for the 21st Century to be allocated for~~
24 ~~intercity and commuter rail lines and urban rail systems, in~~
25 ~~accordance with subdivision (a) of Section 2704.095 of the Streets~~
26 ~~and Highways Code, for projects that have been requested by~~
27 ~~eligible operators and have been approved by the California~~
28 ~~Transportation Commission.~~